



U.S. Department of Justice

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NEWS RELEASE

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Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, announced today the indictment of four individuals in connection with a bank fraud and identity theft scheme. The scheme involved the use of stolen identities and the presentation of counterfeit checks in the Metro-Richmond area, Northern Virginia, Maryland and North Carolina.

John Alexander Caulder, age 41; Heather Nicole Weston, age 22; and Katharine Caulder Staton, age 26, all of Richmond, Virginia, are each charged with conspiracy to commit bank fraud and two counts of aggravated identity theft. Susan Lively Caulder, age 66, also of Richmond, Virginia, is charged with one count of obstruction of justice.

The indictment alleges a bank fraud scheme that spanned from July 2005 to March 2006. Members of the conspiracy created counterfeit checks by using names, identification numbers and bank account numbers stolen from a significant number of victims. They also used routing codes assigned to six different financial institutions to legitimize the checks. The checks were presented to merchants for various merchandise, including jewelry, electronics and furniture. Some of the merchandise was sold for cash and some was kept by the conspirators. In some instances, the counterfeit check bore the name of a fictitious business as the purported account holder. The total amount of checks written during the eight-month conspiracy was over \$300,000.00.

Defendants John Alexander Caulder; Heather Nicole Weston; and Katharine Caulder Staton were initially arrested on March 14, 2006. The indictment alleges that, after the initial arrests, Susan Lively Caulder, mother of John Alexander Caulder and Katharine Caulder Staton, was facilitating communication and sharing information between codefendants to obstruct the federal investigation.

Conspiracy to commit bank fraud carries a maximum penalty of 30 years of imprisonment and a maximum fine of \$1,000,000; each count of aggravated identity theft carries a maximum penalty of two years of imprisonment, to run consecutively to any sentence imposed for the bank fraud scheme; obstruction of justice carries a maximum penalty of 20 years of imprisonment and a maximum fine of \$250,000.

The investigation was conducted jointly by the United States Secret Service and the Henrico County Police Department. Both agencies are members of the Metro-Richmond Fraud

and Identity Theft Task Force which was formed in November 2004 to address the growing problem of identity theft and related crimes in the metro Richmond area. Other federal, state and local agencies participating in the task force on a full-time basis are: U.S. Treasury Inspector General, Office of Investigations; United States Postal Inspection Service; the Richmond Police Department; and the Office of the Attorney General for the Commonwealth of Virginia. Assistance was also provided by the Chesterfield Police Department.

Also announcing the indictment are: Robert F. McDonnell, Attorney General of Virginia; Jane P. Murphy, Special Agent-In-Charge, Secret Service, Richmond Field Office; Col. Henry Stanley, Chief of Police for the County of Henrico; Rick Ardis, Assistant Special Agent-In-Charge, U.S. Treasury Inspector General, Office of Investigations; Guy Cottrell, Postal Inspector In Charge of the Washington Division, U.S. Postal Inspection Service; and Col. Rodney Monroe, Chief, Richmond Police Department.

The case is being prosecuted by Assistant United States Attorney Laura C. Marshall and Special Assistant United States Attorney G. Michael Favale, with the Virginia Attorney General's Office.

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